



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Update on Mobile Home Electric Rates (EUD)

MEETING DATE: April 17, 2007 (Shirtsleeve Session)

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Presentation Only.

BACKGROUND INFORMATION: The rate being recommended would replicate the five-tier schedule adopted for all other residential users. It is recommended that these changes become effective July 1, 2007.

The City Council held a public hearing in February 2006, to amend electric rates for all customer classes. During the presentation, it was noted that the rates being charged mobile home residents were substantially lower than those of customers residing in other types of residential homes. This rate disparity appears to be the result of staff misunderstanding the direction received during rate discussions at Council meetings in October 2005.

There are six mobile home parks, with a total of 490 pads being served by Lodi Electric Utility. Mobile home park owners (master-metered) are billed on the EM rate schedule; they then bill their sub-metered tenants on the applicable rate schedule (EA, ED) and apply any entitled discounts. Residents of mobile home parks are eligible for the same rates and discounts as "traditional" residential customers.

In checking with the six parks in Lodi, there is a fair amount of misunderstanding/misinterpretation of the mobile home park rate structure. We found that four parks (414 pads) are charging their tenants at the EA residential rate (about 6¢ per kilowatt-hour over the EM rate). The other two parks (76 pads) are using the EM (mobile home park) rate schedule to bill their tenants.

Currently, Mobile Home Park Service (EM) includes a discount of \$8.13 per number of occupied mobile home park units wired for service each month. This discount provides recovery by mobile home park owners for their costs of owning, operating and maintaining their electric sub metered system. Other energy providers within our area that offer a mobile home park service rate allow park owners a discount of \$0.37925 per day or approximately \$11.38/month per number of occupied units.

Attached are the proposed EM schedule, the current EM Scheduled and the current Schedule EA for comparison.

George F. Morrow
Electric Utility Director

Attachments (3)

APPROVED: _____
Blair King, City Manager



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE EM

MOBILE HOME PARK SERVICE

APPLICABILITY:

This schedule is applicable to service supplied to mobile home parks through one meter and sub-metered to all individual mobile home units.

RATES:

Minimum Charge.....\$5.00

Energy Charge is by Tier of kWh usage:

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
\$/kWh	\$0.1420	\$0.1450	\$0.2235	\$0.3180	\$0.3300

Summer (May through October) Energy Tiers

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
Beginning Tier kWh/month	0	482	626	963	>1,443
Ending Tier kWh/month	481	625	962	1,443	

Winter (November through April) Energy Tiers

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
Beginning Tier kWh/month	0	392	509	783	>1,173
Ending Tier kWh/month	391	508	782	1,173	

DISCOUNT:

Per number of occupied mobile home park units wired for service..... \$ 11.38

SCHEDULE EM

MOBILE HOME PARK SERVICE

MARKET COST ADJUSTMENT (MCA):

A market cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will reflect amounts charged the City of Lodi by various suppliers of bulk power not covered in the above rates.

BILLING CYCLE CHARGE (MONTHLY BILL):

The Billing Cycle Charge is the higher of the Minimum Charge or the sum of the Customer Charge, Energy Charge, Discount and MCA.

SPECIAL CONDITIONS:

- (a) This rate is available only for mobile home park master metering in service prior to March 31, 1989.
- (b) It is the responsibility of the master-metered customer to notify the City Finance Department within 15 days following any change in the number of occupied mobile home park units wired for service.
- (c) Miscellaneous electric loads such as general lighting, laundry rooms, general maintenance, and other similar use incidental to the operation of the premises as a multi-family accommodation will be considered domestic use.
- (d) To qualify for Single Household Alternative Rate for Energy (SHARE) the sub-metered tenants of the master-metered City of Lodi Customer will submit an application, including the tenant's unit number, to the City of Lodi Finance Department. The City of Lodi Finance Department will notify the master-metered Customer of the tenant's certification.
- (e) Certification will be required to determine income eligibility for the SHARE program. Sub-metered tenants of the master metered City of Lodi Customer must sign a statement upon application indicating that the City of Lodi may verify the sub-metered tenant's eligibility at any time. The master-metered Customer, not the City of Lodi, is responsible for extending the SHARE program to tenants certified to receive them. If verification establishes that the SHARE tenant is ineligible, the tenant will be removed from the master-metered Customer's qualified tenants and the City of Lodi may render corrective billings.
- (f) An additional medical discount is available as described in Schedule MR, Residential Medical Rider.

SCHEDULE EM

MOBILE HOME PARK SERVICE

- (g) The master-metered Customer shall not bill any sub-metered tenant more than that tenant would be billed if that tenant were an individual customer of the City of Lodi. For a qualifying SHARE tenant, the master-metered Customer shall bill the qualifying tenant at the applicable rates equivalent to Schedule ED, Residential SHARE Program Service. A non-qualifying tenant shall be billed at the applicable rates equivalent to Schedule EA, Residential Service.
- (h) The master-meter/sub-meter rate discount provided herein prohibits further recovery by mobile home park owners for the costs of owning, operating and maintaining their electric sub-metered system.

FIXED INCOME DISCOUNT:

For those customers who are on fixed incomes below \$45,000 annually and who are over 62 years of age, and do not qualify for any other discount, a discount of 5% shall apply to the electric bill. Procedures as to qualification will be established by the Electric Utility Department.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE EM

MOBILE HOME PARK SERVICE

APPLICABILITY:

This schedule is applicable to service supplied to mobile home parks through one meter and sub-metered to all individual mobile home units.

RATES:

Customer Charge	\$ 4.87
Energy Charge:	
Summer (May 1 through October 31)	
First 440 kWh, per kWh.....	.10197
Over 440 kWh, per kWh14025
Winter (November 1 through April 30)	
First 400 kWh, per kWh.....	.10197
Over 400 kWh, per kWh14025
MINIMUM CHARGE:	
All kWh, per kWh.....	.05000

DISCOUNT:

Per number of occupied mobile home park units wired for service	\$ 8.13
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MARKET COST ADJUSTMENT (MCA):

A market cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will reflect amounts charged the City of Lodi by various suppliers of bulk power not covered in the above rates.

SCHEDULE EM

MOBILE HOME PARK SERVICE

BILLING CYCLE CHARGE (MONTHLY BILL):

The Billing Cycle Charge is the higher of the Minimum Charge or the sum of the Customer Charge, Energy Charge, Discount and MCA.

SPECIAL CONDITIONS:

- (a) This rate is available only for mobile home park master metering in service prior to March 31, 1989.
- (b) It is the responsibility of the master-metered customer to notify the City Finance Department within 15 days following any change in the number of occupied mobile home park units wired for service.
- (c) Miscellaneous electric loads such as general lighting, laundry rooms, general maintenance, and other similar use incidental to the operation of the premises as a multi-family accommodation will be considered domestic use.
- (d) To qualify for Single Household Alternative Rate for Energy (SHARE) the sub-metered tenants of the master-metered City of Lodi Customer will submit an application, including the tenant's unit number, to the City of Lodi Finance Department. The City of Lodi Finance Department will notify the master-metered Customer of the tenant's certification.
- (e) Certification will be required to determine income eligibility for the SHARE program. Sub-metered tenants of the master metered City of Lodi Customer must sign a statement upon application indicating that the City of Lodi may verify the sub-metered tenant's eligibility at any time. The master-metered Customer, not the City of Lodi, is responsible for extending the SHARE program to tenants certified to receive them. If verification establishes that the SHARE tenant is ineligible, the tenant will be removed from the master-metered Customer's qualified tenants and the City of Lodi may render corrective billings.
- (f) The master-metered Customer shall not bill any sub-metered tenant more than that tenant would be billed if that tenant were an individual customer of the City of Lodi. For a qualifying SHARE tenant, the master-metered Customer shall bill the qualifying tenant at the applicable rates equivalent to Schedule ED, Residential SHARE Program Service. A non-qualifying tenant shall be billed at the applicable rates equivalent to Schedule EA, Residential Service.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE EA

RESIDENTIAL SERVICE

APPLICABILITY:

This schedule is applicable to single-phase domestic power service in single-family and multi-family dwellings separately metered by the City including those on discontinued all electric rate schedule, EE.

RATES:

Minimum Charge.....\$5.00

Energy Charge is by Tier of kWh usage:

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
\$/kWh	\$0.1420	\$0.1450	\$0.2235	\$0.3180	\$0.3300

Summer (May through October) Energy Tiers

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
Beginning Tier kWh/month	0	482	626	963	>1,443
Ending Tier kWh/month	481	625	962	1,443	

Winter (November through April) Energy Tiers

	<u>Tier 1</u> (Baseline)	<u>Tier 2</u> (101-130% of baseline)	<u>Tier 3</u> 131-200% of baseline)	<u>Tier 4</u> (201-300% of baseline)	<u>Tier 5</u> (Over 300% of baseline)
Beginning Tier kWh/month	0	392	509	783	>1,173
Ending Tier kWh/month	391	508	782	1,173	

MARKET COST ADJUSTMENT (MCA):

A Market cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

SCHEDULE EA
RESIDENTIAL SERVICE

BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the higher of the sum of the Minimum Charge and the MCA or the sum of the Energy Charge and the MCA.

SPECIAL CONDITIONS:

- (a) When a business or commercial establishment is conducted in conjunction with a residence and both are measured through one meter, this rate does not apply.
- (b) This rate does not apply to service used for common area and facilities in multi-family dwellings.
- (c) An additional first block medical quantity is available as described in Schedule MR, Residential Medical Rider.

FIXED INCOME DISCOUNT:

For those customers who are on fixed incomes below \$45,000 annually and who are over 62 years of age, and do not qualify for any other discount, a discount of 5% shall apply to the electric bill. Procedures as to qualification will be established by the Electric Utility Department.